



March 15, 2022

TO: Senator Lesser, Representative Wood; Senator Hwang, Representative Pavalock-D Amato, and distinguished members of the Insurance and Real Estate Committee

FROM: Bruce Adams, President & CEO – Credit Union League of Connecticut

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On behalf of Connecticut's Credit unions and their nearly 1 million members, I respectfully offer testimony today in **SUPPORT of H.B. 5383**

#### **AN ACT CONCERNING ASSOCIATION HEALTH PLANS**

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Credit unions offer a unique advantage to the financial services consumer. While credit unions offer the typical banking products such as checking and savings accounts, home and vehicle loans, credit unions also return their profits back to their members mostly in the form of advantageous rates on their deposits and loans. This is because credit unions are not-for-profit financial institutions, owned and governed by their members. Simply put, credit unions exist to increase the financial independence and wellness of their members and lift up their local communities.

No new insurance product was perfect at its inception and Association Health Plans are no exception. The time has come, however, to refine this product one step further in order leverage AHPs to their greatest benefit in Connecticut. To maintain the status quo in Connecticut would be akin to a regressive tax on small businesses and their employees who would be squeezed further as they continue to bear the burden created by large group health plans who have greater bargaining power and flexibility in plan design and underwriting. To put it more plainly, small employers—such as not-for-profit credit unions who can least afford it—should not be forced to subsidize the savings enjoyed by larger employers.

Testimony opposing this bill raises real concerns based on real experience. These advocates are concerned chiefly about ensuring coverage for Essential Health Benefits, avoiding discriminatory plan design, and ensuring access to quality and affordable healthcare for all consumers. Connecticut's Credit Unions respect those concerns and propose that the stakeholders work together to craft

acceptable language that will alleviate those concerns. Connecticut's credit Unions support mandates to ensure financial transparency and stability, coverage for EHBs, and protections against discrimination.

We do ask, however, that this bill amend the definition of AHP to include self-insured plans housed in an insurance trust. The state of Maine enacted sensible AHP legislation and the Maine Insurance Trust has executed a successful self-insured model for Association Health Plans that should alleviate most, if not all, of the concerns addressed by most today's opposing testimony. I commend you to the testimony of Kim Daigle who appears before you at our request today.

Respectfully submitted,

Bruce Adams